Wellesley Asset Management
Convertible Bond Specialists

Wellesley Asset Management | Q1 2022

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Total Return Comparison (%, through 3/31/2022):

	Q1 2022	1 Year	3 Years*	5 Years*	10 Years*	Since Inception 12/27/2007*
Miller Convertible Bond Fund (MCIFX)	-1.64%	1.22%	9.79%	6.81%	7.03%	6.78%
Bloomberg Barclays U.S. Aggregate Bond	-5.93%	-4.15%	1.69%	2.14%	2.24%	3.43%
BofA All Yield Alternatives US Convertibles (VYLD)	-4.40%	-4.28%	6.29%	6.05%	5.22%	5.26%

**Returns are annualized. The performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Total operating expenses for the class I-shares is 0.97%. Please review the Fund's prospectus for more information regarding the Fund's fees and expenses including other share classes. For performance information current to the most recent month-end, please call toll-free 877-441-4434.*

First Quarter Update

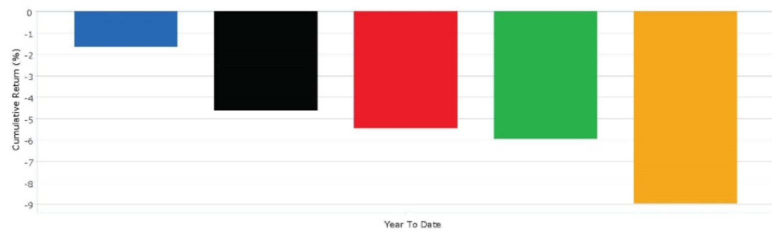
The first quarter of 2022 was painful for financial markets and heartbreaking for those watching the tragic events unfolding in Ukraine. The bond market massacre, beginning last year, accelerated with 10-year U.S. Treasury yields jumping to 2.32% from a low of 0.51% in early August 2020. The jump in interest rates has crushed most fixed income investments. "TLT" (iShares 20+ Year Treasury Bond ETF) dropped 10.56% in Q1 2022, while the Bloomberg Barclays U.S. Aggregate Bond Index declined 5.84%. These types of substantial drawdowns and related heightened volatility normally are not associated with such staid and conservative fixed-income investments which typically are utilized to potentially protect against large losses, as opposed to contributing to them. The 2022 bond market bloodbath may go down as one of the worst periods of all-time to own fixed income securities.

The U.S. Treasury curve continued its march toward inversion, with shorter term interest rates approaching or in some cases exceeding longer term interest rates. Often referred to as a "flat" or "inverted" yield curve, it is frequently a foreboding sign for the economy. A flat or inverted yield curve is also commentary on the Federal Reserve and a strong vote of no confidence in their policies, suggesting they are behind the curve in terms of acting aggressively to combat inflation and engineer a soft economic landing. Inflation is running rampant almost everywhere you look, but the Federal Reserve seems wedded to the idea that inflation is solely a transitory phenomenon. Quite frankly, up until very recently their bark seems much more ferocious than their bite. March's 25 basis point increase in the Federal Funds rate is trivial relative to a balance sheet that has grown exponentially both in absolute and relative terms over the past few years. With the recent discussion of a series of 50 basis point hikes and more aggressive balance sheet reduction, the Fed is finally getting serious about fighting inflation.

U.S. equity markets also were challenged during Q1 2022. The S&P 500 Index slipped 4.60% and the Russell 2000 dropped 7.86%. The tech heavy NASDAQ Composite plunged 9.10% as yet to be realized earnings of many growth companies get discounted back at far higher risk-free rates than only a few months ago. Major market indices have performed far better than many individual equity names which in many cases have sunk 50% or more. Convertible bonds were not immune from the Q1 carnage. The BofA All US Convertibles Ex Mandatory Index (V0A0) was lower by 6.37% in the quarter. In general, other than commodity-related investments, there were few places to hide during the quarter.

The Miller Convertible Bond (MCIFX) delivered strong relative performance in Q1

Q1 2022 Return



	YTD (%)
Miller Convertible Bond I	(1.64)
S&P 500 (1936)	(4.60)
ICE BofA All US Convertibles ex Mandatory (V0A0)	(5.45)
Bloomberg U.S. Aggregate	(5.93)
NASDAQ Composite Total Return	(8.95)

In our view, the Miller Convertible Bond Fund represented one of those places, delivering strong relative performance during Q1. The Fund's focus on convertible bonds issued by profitable companies while avoiding many high-flying and lofty P/E growth names helped the Miller Fund especially relative to convertible indices. The Miller Fund's discipline of owning convertible bonds near par mitigated the impact of the equity sell-off. Finally, owning relatively shorter duration convertible debt helped to lessen the negative impact of rising interest rates.

Market Outlook

Higher commodity prices the result of the Ukraine conflict coupled with ongoing supply chain issues are helping to propel already elevated inflationary expectations caused by monetary and fiscal excess. Exacerbated by surging costs for gas, food and housing, consumer inflation jumped 7.9% over the past year, the sharpest spike since 1982 and likely only a harbinger of even higher prices to come. With unemployment at 3.6%, it is mind-boggling that the Federal Reserve is moving so casually to combat inflation.

The Federal Reserve estimates that 2.40% is the "neutral" interest rate, i.e. a rate which doesn't boost growth or dampen demand. With short-term interest rates expected to head considerably higher and possibly moving well above the Federal Reserve's neutral rate in order to whip inflation, additional bond market pain may be in store for fixed income investors. Equity investors are hoping the Federal Reserve can engineer a soft landing; but based on their historical performance, and their seeming inability to forecast anything accurately especially inflation, it appears doubtful. Regardless, increasing interest rates and a shrinking Federal Reserve balance sheet are a strong headwind for the economy and equities. High levels of inflation and negative real interest rates make traditional fixed-income investing a money-losing game. Further, given they are not immune from political pressures, the Federal Reserve may be forced to act aggressively given the upcoming mid-term elections and the fact that inflation is a far heavier burden for middle to lower socioeconomic groups than the wealthy. In some ways, and in order to appease those who see the Federal Reserve causing financial inequity, the Federal Reserve may want to engineer lower asset and especially equity prices in order to decrease the wealth effect that is fueling demand by those less affected by inflation's hidden tax. If the first quarter is any indication of the balance of 2022, the Federal Reserve has its work cut out for them and the markets may be in store for continued heighted volatility.

Fortunately, higher volatility can be a positive catalyst for convertible bonds as the convertible's embedded call option increases in value. This phenomenon is mostly seen in convertible arbitrage but also benefits long convertible investors. Convertible bonds are also considered a shorter duration fixed-income instrument, and therefore may be less impacted by higher interest rates. Unfortunately, convertible securities are often issued by growth companies with little to no earnings. As previously discussed, companies with yet to be realized earnings are often greatly penalized as interest rates increase.

Much of Wellesley's recent out-performance has been driven by a focus on relatively shorter duration convertible bonds, companies with earnings, and those that are considered value as opposed to growth-oriented. Although the convertible universe is littered with growth companies, Wellesley has made a determined effort to construct portfolios with ample value and commodity-oriented positions. Wellesley's focus on synthetic convertible bonds has greatly helped in that regard as well, given the ability to specifically add names that are not available via the traditional convertible market.

The broad convertible bond universe has experienced considerable drawdown over the past 6 months

	TOTAL RETURN %
Miller Convertible Bond I	1.05
S&P 500 (1936)	(1.01)
NASDAQ Composite Total Return	(7.96)
ICE BofA All US Convertibles ex Mandatory (V0A0)	(10.03)

In terms of convertible bond prices, the convertible bond market has changed considerably over the past 6-9 months. The rise in interest rates and the drop in equity prices has caused many convertible bonds which were trading well above par to be trading below par. Given relatively shorter durations, convertible bonds trading below par are less impacted by equity prices or interest rate moves, and have the benefit of a discounted bond's "pull to par" feature (investor's expectation to receive par at maturity).

In many ways the macro environment has spun 180 degrees in a very short period of time. Inflation has displaced disinflation, value is favored over growth, and higher interest rates are expected. For many years, the Federal Reserve has been an investor's friend fantastically increasing their balance sheet and providing ungodly amounts of liquidity. The past two years of negative real interest rates are quickly coming to an end, as the markets and especially those fixed-income in nature return to a more normal state. Long gone are negative nominal interest rates in many parts of the world. The peace dividend afforded by the collapse of the Berlin Wall has been replaced with bloodshed in Ukraine. The world order of the past 30 years may be undergoing a seismic shift. Given this potential for increased and sustained financial and geo-political volatility, we believe the Wellesley philosophy of constructing balanced convertible bond portfolios issued by higher quality companies and securities with modest interest rate risk may provide some degree of stability. Being flexible and adapting to the ever-changing financial landscape will prove to be a valuable asset as we look toward the balance of 2022.

Wellesley Asset Management

Wellesley Asset Management's convertible bond strategy takes a disciplined and benchmark-agnostic approach with a focus on preservation of capital and risk-adjusted returns. Our portfolios are currently weighted toward small to mid-cap companies that are profitable with favorable balance sheets. Wellesley also utilizes structured convertible bonds issued by investment grade companies. As compared to most other convertible bond managers, we strive to keep the average bond price of portfolios closer to par value to avoid increased equity sensitivity. We feel confident that our approach may help clients navigate this current market environment.

We believe volatility will increase as we enter the late stages of this bull market as we navigate what we believe to be excesses in both the equity and fixed income markets. We also believe we are entering a period where investors in our convertible bond strategy may be rewarded for three reasons: the asymmetrical payout of convertible bonds, the high-quality balance sheets of companies we invest in, and the maturity structure of our strategy.

In our view, convertibles take some of the guesswork out of market timing due to the maturity feature of the bond. Barring a default, investors get their principal back with interest when a bond matures. This can be a benefit especially at the end of a bull market. For example, Microsoft is considered a blue chip technology company. However, investors who bought the stock in 1999 did not get back to even until 2016. At Wellesley, we attempt to never invest beyond a seven year time horizon and our average time to maturity is relatively short. We believe this maturity structure gives convertible bond investors some sense that they will not have to wait out a prolonged bear market and only need to wait until the maturity of a bond to see a return of their principal.

Important Risk Information

Past performance is not a guarantee of future results.

Investments in convertible securities subject the Fund to the risks associated with both fixed-income securities, including credit risk and interest risk, and common stocks. A portion of the Fund's convertible securities may be rated below investment grade. Exchangeable and synthetic convertible securities may be more volatile and less liquid than traditional convertible securities. In general, stock and other equity security values fluctuate, and sometimes widely fluctuate, in response to activities specific to the company as well as general market, economic and political conditions. Lower rated fixed-income securities are subject to greater risk of loss of income and principal than higher-rated securities. The prices of lower rated bonds are likely to be more sensitive to adverse economic changes or individual corporate developments. All fixed-income securities are subject to two types of risk: credit risk and interest rate risk. When the general level of interest rates goes up, the prices of most fixed-income securities go down. When the general level of interest rates goes down, the prices of most fixed income securities go up.

Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

A market capitalization-weighted index often used to represent investment grade bonds being traded in United States. The index includes Treasuries, government agency bonds, mortgage-backed bonds, corporate bonds and a small amount of foreign bonds traded in U.S.

BofA All Yield Alternatives US Convertibles Index (VYLD) is a subset of the BofA US Convertible Index and includes convertible securities with a delta less than 0.4. Delta is the measure of the change in a convertible bond's price given a change in the underlying stock.

The S&P 500 is an unmanaged composite of 500 large capitalization companies. This index is widely used by professional investors as a performance benchmark for large-cap stocks.

The Bloomberg U.S. Aggregate Bond Index is a market capitalization-weighted index often used to represent investment grade bonds being traded in United States. The index includes Treasuries, government agency bonds, mortgage-backed bonds, corporate bond sand a small amount of foreign bonds traded in U.S.

The NASDAQ Composite Total Return is the first electronic stock market listing over 5000 companies. The Nasdaq stock market comprises two separate markets, namely the Nasdaq National Market, which trades large, active securities and the Nasdaq Small cap Market that trades emerging growth companies.

The Russell 2000 Index includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The index measures the performance of the small-cap segment of the U.S. equity universe and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The iShares 20+ Year Treasury Bond ETF (TLT) seeks to track the investment results of an index composed of U.S.

Treasury bonds with remaining maturities greater than twenty years.

The ICE BofA All US Convertibles ex Mandatory Index represents all U.S. convertibles, excluding mandatory convertibles, small issues and bankruptcies.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Miller Convertible Bond Fund. This and other important information about the Fund are contained in the prospectus, which can be obtained by calling 781- 416-4000. The prospectus should be read carefully before investing. The Miller Convertible Bond Fund is distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. Wellesley Asset Management, Inc. and Northern Lights Distributors, LLC are not affiliated entities.

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